

Exhibit A

LATHAM & WATKINS LLP
Marc Rappel, CA State Bar No. 097032
Robert A. Klyman, CA State Bar No. 142723
Nathan M. Smith, CA State Bar No. 255212
355 South Grand Avenue
Los Angeles, California 90071-1560
Telephone: (213) 485-1234
Facsimile: (213) 891-8763

Counsel for Appellants

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
RIVERSIDE DIVISION

In re

VALLEY HEALTH SYSTEM, a California
Local Health Care District,

Debtor.

PRIME HEALTHCARE MANAGEMENT,
INC., a California Corporation; ALBERT L.
LEWIS, JR., a taxpayer and resident of the
VHS local health care district; JOHN
LLOYD, a taxpayer and resident of the VHS
local healthcare district; EDWARD J.
FAZEKAS, a taxpayer and resident of the
VHS local health care district,

Appellants,

v.

VALLEY HEALTH SYSTEM, a California
local health care district, DOES 1 – 10,

Appellee,

PHYSICIANS FOR HEALTHY
HOSPITALS, INC., a California
Corporation,

Real Party in Interest.

Case No. 10-CV-00730-SVW

Chapter 9

DECLARATION OF NATHAN M.
SMITH IN SUPPORT OF
APPELLANTS' APPLICATION FOR
EXTENSION OF TIME FOR FILING
BRIEF

On appeal from Bankruptcy Court Case
No. 6:07 -bk-18293-PC

The Honorable Stephen V. Wilson.

Courtroom 6
312 N. Spring Street
Los Angeles, CA 90012

1 I, Nathan M. Smith, declare as follows:

2 1. I am an associate at Latham & Watkins LLP, counsel of record for Save The
3 Hospitals, Inc., Prime Healthcare Management, Inc.; Albert L. Lewis, Jr.; John Lloyd; and
4 Edward J. Fazekas (together, the "Appellants") in this case. The facts set forth herein are within
5 my personal knowledge or, where indicated, are based on my information and belief.

6 2. The Appellants' Brief is currently due on August 30, 2010 and there have been no
7 previous requests for extensions.

8 3. The Appellants are requesting this extension for two reasons. First, the appeal
9 may become moot if Physicians for Healthy Hospital, Inc. ("PHH") and Valley Health System
10 ("VHS") complete the transaction to purchase the Valley Health System assets, the propriety of
11 which is the subject of the underlying litigation. I am informed and believe that PHH and VHS
12 currently have until September 15 to close the transaction. Second, an extension will permit
13 additional time to seek a nonjudicial resolution of the dispute.

14 4. The Appellants are requesting an additional forty five (45) days to file their brief
15 which would make the brief due on October 14, 2010.

16 5. I am informed and believe that neither VHS nor PHH oppose this request for an
17 extension. Attached hereto as Exhibit 1 is an email from Gary Klausner, bankruptcy counsel for
18 VHS, stating that neither VHS or PHH oppose the proposed extension. Copied on that email is
19 R.D. "Kyle" Kirwan, counsel for PHH in the bankruptcy court litigation.

20 6. I declare under penalty of perjury under the laws of the United States of America
21 that the foregoing is true and correct and that this declaration was executed this 18th day of
22 August, 2010 at Los Angeles, California.

23 Dated: August 19, 2010

24
25 /s/ Nathan M. Smith
Nathan M. Smith

26 LATHAM & WATKINS LLP
27 ATTORNEYS FOR SAVE THE HOSPITALS, INC., A
28 CALIFORNIA CORPORATION; PRIME
HEALTHCARE SERVICES, INC., A DELAWARE
CORPORATION; ALBERT L. LEWIS, JR., A

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TAXPAYER AND RESIDENT OF THE VHS LOCAL
HEALTHCARE DISTRICT; JOHN LLOYD, A
TAXPAYER AND RESIDENT OF THE VHS LOCAL
HEALTHCARE DISTRICT; AND EDWARD J.
FAZEKAS, A TAXPAYER AND RESIDENT OF THE
VHS LOCAL HEALTHCARE DISTRICT.

Exhibit 1

Barberena, Claudia (LA)

From: Klausner, Gary E. [GKlausner@Stutman.com]
Sent: Wednesday, August 18, 2010 9:46 AM
To: Smith, Nathan (LA); Fineman, Marina; dspradlin@wss-law.com; lbobak@wss-law.com; rkirwan@akingump.com; cstegeman@akingump.com
Cc: Rappel, Marc (LA); JMarshall@lewitthackman.com; krex@lewitthackman.com; Fisch, Alex
Subject: RE: Prime v. VHS/PHH appeal

Nate, neither PHH nor VHS has any objection.

From: Nathan.Smith@lw.com [mailto:Nathan.Smith@lw.com]
Sent: Wednesday, August 18, 2010 9:06 AM
To: Klausner, Gary E.; Fineman, Marina; dspradlin@wss-law.com; lbobak@wss-law.com; rkirwan@akingump.com; cstegeman@akingump.com
Cc: MARC.RAPPEL@lw.com
Subject: Prime v. VHS/PHH appeal

Counsel,

Prime intends to seek a 45 day extension on the time for filing its opening brief in the appeal pending before Judge Wilson. The current filing deadline is August 30.

Local Rule 8009-5.6 requires that Prime state the position of its opponents as to the proposed extension. Please let me know VHS and PHH's position on such an extension. Prime intends to file this evening or tomorrow morning.

Best regards,

Nate

Nathan M Smith

LATHAM & WATKINS LLP
355 South Grand Avenue
Los Angeles, CA 90071-1560
Direct Dial: +1.213.891.8166
Fax: +1.213.891.8763
Email: nathan.smith@lw.com
<http://www.lw.com>

To comply with IRS regulations, we advise you that any discussion of Federal tax issues in this e-mail was not intended or written to be used, and cannot be used by you, (i) to avoid any penalties imposed under the Internal Revenue Code or (ii) to promote, market or recommend to another party any transaction or matter addressed herein.

For more information please go to <http://www.lw.com/docs/irs.pdf>

This email may contain material that is confidential, privileged and/or attorney work product for the sole use of the intended recipient. Any review, reliance or distribution by others or forwarding

without express permission is strictly prohibited. If you are not the intended recipient, please contact the sender and delete all copies.

Latham & Watkins LLP

This Internet e-mail contains confidential information which is intended only for the addressee and which may be privileged under applicable law. Do not read, copy or disseminate it if you are not the addressee. If you have received this message in error, please notify the sender immediately and delete it. Thank you.
